



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
SUZANNE SONNEBORN  
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA  
DIRECTOR

[REDACTED]  
MI [REDACTED]

Date Mailed: August 20, 2024  
MOAHR Docket No.: 24-006173  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford**

**HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on July 17, 2024. Petitioner was present at the hearing and represented himself. The Department of Health and Human Services (Department) was represented by Priya Johnson, Assistance Payments Supervisor.

**ISSUE**

Did the Department properly close Petitioner's Medicare Savings Program (MSP) benefits case due to excess income?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner was an ongoing recipient of MSP benefits under the Additional Low-Income Medicare Beneficiary (ALMB) program.
2. Petitioner receives gross monthly unearned income from Retirement, Survivors, and Disability Insurance (RSDI) in the amount of [REDACTED]
3. Petitioner is unmarried.
4. On May 8, 2024, the Department sent a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing him of the closure of his MSP coverage effective June 1, 2024 and showing annual income of [REDACTED] in annual income. (Exhibit A, pp. 10-12).

5. On May 22, 2024, the Department received a request for hearing from Petitioner disputing the Department's action with respect to his MSP coverage. (Exhibit A, pp. 3-4).

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Upon review of Petitioner's income, the Department concluded that Petitioner was no longer eligible for MSP benefits. While the May 8, 2024 HCCDN indicated that the denial was due to Petitioner not being under 21, not being a caretaker of a minor child in his home, not over 65 (aged), blind, or disabled, the Department confirmed at the hearing that the denial was due to income only. Petitioner disputes the Department's action.

MSP is an SSI-related MA category that provides assistance with eligible client's Medicare expenses. BEM 165 (October 2022), p. 1. There are three categories of MSP benefits including the Qualified Medicare Beneficiary (QMB), the Special Low Income Medicare Beneficiary (SLMB), and ALMB. QMB pays Medicare premiums, coinsurances, and deductibles. SMLB pays Medicare Part B premiums. ALMB pays Medicare Part B premiums provided funding is available. BEM 165 (October 2022), pp. 2-4. The Department testified that based on Petitioner's household income, he was not eligible for MSP benefits under any of the three categories. Income eligibility for MSP exists when a client's income is within the limits established by policy. BEM 165 (October 2022), p. 8. To determine Petitioner's income for MSP purposes, the Department must determine Petitioner's MA fiscal group size and net income. As an unmarried individual, Petitioner has a fiscal group size of one. BEM 211 (July 2019), p. 8. Petitioner's fiscal net income for MSP purposes is the sum of Petitioner's RSDI unearned income of [REDACTED], and unearned income is reduced by a \$20 disregard, which results in net income of [REDACTED] 1,973.

Effective April 1, 2024, for QMB, the monthly income limit for a group size of one is \$1,275, which is 100 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242, p. 1. For SLMB the monthly income limit for Petitioner's group size of one is \$1,526, which is

---

<sup>1</sup> While the HCCDN showed annual income for Petitioner to be [REDACTED] (or [REDACTED] monthly), Petitioner confirmed at the hearing that he received monthly RSDI income in the amount of [REDACTED]

120 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242, p. 2. For ALMB, the monthly income limit for Petitioner's group size of one is \$1,714.25, which is 135 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242, pp. 1-3. RFT 242, p. 3. Additionally, the Noncategorical Eligible Michigan Beneficiary (NMB) category provides MSP benefits for individuals who have excess income or assets. BEM 165, p. 1. The NMB category is only for individuals who are receiving full coverage MA benefits. There was no evidence presented to support Petitioner's eligibility under the NMB category.

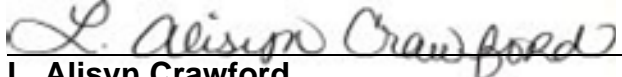
Therefore, based on the MSP income limits and Petitioner's net income of [REDACTED] the Department properly denied Petitioner's MSP benefits due to excess income.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it denied MSP coverage for Petitioner due to excess income.

#### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

LC/ml

  
**L. Alisyn Crawford**  
Administrative Law Judge

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**Via Electronic Mail:**

**DHHS**

Yaita Turner

Oakland County Southfield District III

25620 W. 8 Mile Rd

Southfield, MI 48033

**MDHHS-Oakland-6303-Hearings@michigan.gov**

**Interested Parties**

BSC4

M Schaefer

EQAD

MOAHR

**Via First Class Mail:**

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]